

# HOUSE BILL No. 1615

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 12-13-8; IC 12-16-14; IC 12-19; IC 16-35-3.

**Synopsis:** Phase out of property taxes for welfare expenses. Phases out over ten years county property tax levies for various welfare purposes and substitutes state contributions for those purposes through increased property tax replacement credits and other state funding. Eliminates a county's authority to borrow for welfare purposes, but permits a county to continue to impose property taxes to repay existing welfare loans.

**Effective:** Upon passage.

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**Buck**

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January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1615

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-18.6-1.1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. **(a)** As used in  
3 this chapter:

4 (1) "county family and children property tax levy for an ensuing  
5 calendar year" means the total property taxes imposed by a county  
6 under the authority of IC 12-19-7 that are to be collected and  
7 deposited in the family and children's fund during the ensuing  
8 calendar year; and

9 (2) "county children's psychiatric residential treatment services  
10 property tax levy for an ensuing calendar year" means the total  
11 property taxes imposed by a county under the authority of  
12 IC 12-19-7.5 that are to be collected and deposited in the county  
13 children's psychiatric residential treatment services fund during  
14 the ensuing calendar year.

15 **(b) This section expires January 1, 2015.**

16 SECTION 2. IC 6-1.1-18.6-2 IS AMENDED TO READ AS  
17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a)** A county



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may not impose a county family and children property tax levy for an ensuing calendar year that exceeds the levy determined under IC 12-19-7-4.

**(b) This section expires January 1, 2015.**

SECTION 3. IC 6-1.1-18.6-2.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.2. **(a)** A county may not impose a county children's psychiatric residential treatment services property tax levy for an ensuing calendar year that exceeds the levy determined under IC 12-19-7.5-6.

**(b) This section expires January 1, 2015.**

SECTION 4. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which, under IC 6-1.1-22-5, is to be filed on or before March **+ 15** of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from: ~~appeals described in:~~

(i) **appeals described in** IC 6-1.1-18.5-13(4) and

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IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus  
(ii) ~~the sum of any increases in property tax levies of taxing  
units of the county that result from~~ any other appeals  
described in IC 6-1.1-18.5-13 filed after December 31,  
1983; plus

(iii) **increases allowed under IC 6-1.1-18.6-3 (children in  
need of services and delinquent children who are wards of  
the county) for property tax levies first due and payable  
before January 1, 2006;** minus

(C) the total amount of property taxes imposed for the stated  
assessment year by the taxing units of the county under the  
authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),  
~~IC 12-19-5~~, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the  
stated assessment year that will be used to pay for interest or  
principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt  
incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of  
building, repairing, or altering school buildings for which  
the requirements of IC 20-5-52 were satisfied prior to  
January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the  
stated assessment year under the authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was initially  
established or reestablished for a stated assessment year that  
succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the  
stated assessment year under authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was not  
initially established or reestablished for a stated assessment  
year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the  
1984 stated assessment year under the authority of IC 21-2-6  
(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
cumulative building fund whose property tax rate was not  
initially established or reestablished for a stated assessment  
year that succeeds the 1983 stated assessment year; minus

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(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; **minus plus**

~~(K) for each county, the sum of:~~

- ~~(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a)~~

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STEP SEVEN for property taxes payable in 1995; or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995; or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e); plus

**(6) for a tax levy first due and payable in a calendar year that precedes 2015, the increases in property tax levies of a county under IC 6-1.1-18.6-3 or IC 6-1.1-18.6-4; plus**

**(7) for a tax levy first due and payable in a calendar year that precedes 2015, the product of:**

**(A) the sum of the amounts of property taxes imposed in the county under:**

**(i) IC 12-13-8-5;**

**(ii) IC 12-16-14-3;**

**(iii) IC 12-19-7-4 (excluding the amount of levy increases under IC 6-1.1-18.6-3);**

**(iv) IC 12-19-7.5-6 (excluding the amount of levy increases under IC 6-1.1-18.6-4); and**

**(v) IC 16-35-3-3; multiplied by**

**(B) the following percentage for the calendar year in which tax levy is first due and payable:**

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1	<b>2006</b>	<b>40%</b>
2	<b>2007</b>	<b>80%</b>
3	<b>2008</b>	<b>120%</b>
4	<b>2009</b>	<b>160%</b>
5	<b>2010</b>	<b>200%</b>
6	<b>2011</b>	<b>240%</b>
7	<b>2012</b>	<b>280%</b>
8	<b>2013</b>	<b>320%</b>
9	<b>2014</b>	<b>360%</b>

10 (h) "December settlement sheet" means the certificate of settlement  
 11 filed by the county auditor with the auditor of state, as required under  
 12 IC 6-1.1-27-3.

13 (i) "Tax duplicate" means the roll of property taxes which each  
 14 county auditor is required to prepare on or before March 1 of each year  
 15 under IC 6-1.1-22-3.

16 (j) "Eligible property tax replacement amount" is equal to the sum  
 17 of the following:

18 (1) Sixty percent (60%) of the total county tax levy imposed by  
 19 each school corporation in a county for its general fund for a  
 20 stated assessment year.

21 (2) Twenty percent (20%) of the total county tax levy (less sixty  
 22 percent (60%) of the levy for the general fund of a school  
 23 corporation that is part of the total county tax levy) imposed in a  
 24 county on real property for a stated assessment year.

25 (3) Twenty percent (20%) of the total county tax levy (less sixty  
 26 percent (60%) of the levy for the general fund of a school  
 27 corporation that is part of the total county tax levy) imposed in a  
 28 county on tangible personal property, excluding business personal  
 29 property, for an assessment year.

30 (k) "Business personal property" means tangible personal property  
 31 (other than real property) that is being:

32 (1) held for sale in the ordinary course of a trade or business; or  
 33 (2) held, used, or consumed in connection with the production of  
 34 income.

35 (l) "Taxpayer's property tax replacement credit amount" means the  
 36 sum of the following:

37 (1) Sixty percent (60%) of a taxpayer's tax liability in a calendar  
 38 year for taxes imposed by a school corporation for its general fund  
 39 for a stated assessment year.

40 (2) Twenty percent (20%) of a taxpayer's tax liability for a stated  
 41 assessment year for a total county tax levy (less sixty percent  
 42 (60%) of the levy for the general fund of a school corporation that

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is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 5. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; or

(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the department of local government finance.

(b) The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year, as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, except when using the term under section 2(l)(1) of this chapter, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), or 2(g)(1)(J) or ~~2(g)(1)(K)~~ of this

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chapter in computing the total county tax levy.

(c) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is equivalent to the taxpayer's property tax replacement credit amount for the taxes payable with respect to the assessments plus the adjustments stated in this section.

(d) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

(1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by

(2) the taxpayer's taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 6. IC 12-13-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Each county shall establish a county medical assistance to wards fund.

(b) Before calendar year 2015, the fund shall be funded by the following:

(1) A tax levy on the property located in each county.

(2) The financial institutions tax (IC 6-5.5), motor vehicle excise taxes (IC 6-6-5), and commercial vehicle excise taxes (IC 6-6-5.5) that are allocated to the fund.

SECTION 7. IC 12-13-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The tax shall be imposed annually by the county fiscal body on all of the taxable property of the county. The tax shall be collected as other state and county ad valorem property taxes are collected.

(b) This section expires January 1, 2015.

SECTION 8. IC 12-13-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) For taxes first due and payable in each year after 2003, ~~each 2005~~, a county shall impose a medical assistance property tax levy equal to the product of:

(1) the product of:

(A) the medical assistance property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the ~~civil taxing unit's~~ county's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

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(2) (B) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable; multiplied by (2) the following percentage for the calendar year in which the tax levy is first due and payable:

2006	90%
2007	88.9%
2008	87.5%
2009	85.7%
2010	83.3%
2011	80%
2012	75%
2013	66.7%
2014	50%

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

**(b) This section expires January 1, 2015.**

SECTION 9. IC 12-16-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A county hospital care for the indigent fund is established in each county.

**(b) Before calendar year 2015, the fund consists of the following:**

- (1) A tax levy on the property located in each county.
- (2) The financial institutions tax (IC 6-5.5), motor vehicle excise taxes (IC 6-6-5), and commercial vehicle excise taxes (IC 6-6-5.5) that are allocated to the fund.

SECTION 10. IC 12-16-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The tax required by ~~section 1(1)~~ **section 1(b)(1)** of this chapter shall be imposed annually by the county fiscal body on all of the taxable property of the county.

(b) The tax shall be collected as other state and county ad valorem property taxes are collected.

**(c) This section expires January 1, 2015.**

SECTION 11. IC 12-16-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) ~~For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).~~

(b) ~~For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the~~

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product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003;

(c) (a) For taxes first due and payable in 2004, each year after 2005, and 2006, each a county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the product of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) (B) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3); multiplied by

(2) the following percentage for the calendar year in which the tax levy is first due and payable:

2006	90%
2007	88.9%
2008	87.5%
2009	85.7%
2010	83.3%
2011	80%
2012	75%
2013	66.7%
2014	50%

(d) Except as provided in subsection (c):

(1) for taxes first due and payable in 2007, each county shall impose a hospital care for the indigent property tax levy equal to the average annual amount of payable claims attributed to the

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county under IC 12-16-7.5-4.5 during the state fiscal years beginning:

(A) July 1, 2003;

(B) July 1, 2004; and

(C) July 1, 2005; and

(2) for all subsequent annual levies under this section; the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years:

(c) A county may not impose an annual levy under subsection (d) in an amount greater than the product of:

(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

**(b) This section expires January 1, 2015.**

SECTION 12. IC 12-16-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The department of local government finance shall review each county's property tax levy under this chapter and shall enforce the requirements of this chapter with respect to that levy.

**(b) This section expires January 1, 2015.**

SECTION 13. IC 12-16-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) All receipts derived from the tax levy shall be paid into the county general fund and

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constitute the county hospital care for the indigent fund.

**(b) This section expires January 1, 2015.**

SECTION 14. IC 12-19-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) In addition to the other method of welfare financing provided by this article, the county director may appeal for ~~the right to borrow money on a short term basis to fund:~~ **additional funding from the division for:**

- (1) child services under IC 12-19-7-1;
- (2) children's psychiatric residential treatment services under IC 12-19-7.5; or
- (3) other welfare services in the county;

if the county director determines that the family and children's fund or the children's psychiatric residential treatment services fund will be exhausted before the end of a fiscal year.

(b) In an appeal under this section, the county director must show the following:

- (1) That the amount of money in the family and children's fund or the children's psychiatric residential treatment services fund will be insufficient to fund the appropriate services within the county under this article.
- (2) The amount of money that the county director estimates will be needed to fund that deficit.

(c) The county director shall immediately transmit an appeal under this section to the director.

SECTION 15. IC 12-19-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Upon receiving an appeal under section 1 of this chapter, the division shall as soon as possible do the following:

- (1) ~~Hold a public hearing to Decide if the county should be allowed to borrow money:~~ **additional funding should be approved.**
- (2) ~~Adopt a resolution at that meeting supporting or rejecting the proposal to borrow money:~~ **Inform the county director and the county fiscal body of the decision.**
- (3) ~~Transmit the resolution to the county director:~~

SECTION 16. IC 12-19-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A family and children's fund is established in each county. **Before calendar year 2015,** the fund shall be raised **in part** by a separate tax levy (the county family and children property tax levy) that:

- (1) is in addition to all other tax levies authorized; and
- (2) shall be levied annually by the county fiscal body on all

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taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 6 of this chapter.

(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.

(c) The following shall be paid into the county treasury and constitute the family and children's fund:

(1) All receipts from the tax imposed under this section.

(2) All grants-in-aid, whether received from the federal government or state government.

(3) Any other money required by law to be placed in the fund.

(d) The fund is available for the purpose of paying expenses and obligations set forth in the annual budget that is submitted and approved.

SECTION 17. IC 12-19-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) For taxes first due and payable in each year after 2003, ~~each~~ **2005**, a county shall impose a county family and children property tax levy equal to the product of:

(1) the **product of:**

**(A)** the county family and children property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the ~~civil taxing unit's~~ **county's** budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

~~(2)~~ **(B)** the greater of:

~~(A)~~ **(i)** the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

~~(B)~~ **(ii)** one (1); multiplied by

**(2) the following percentage for the calendar year in which the tax levy is first due and payable:**

<b>2006</b>	<b>90%</b>
<b>2007</b>	<b>88.9%</b>
<b>2008</b>	<b>87.5%</b>
<b>2009</b>	<b>85.7%</b>
<b>2010</b>	<b>83.3%</b>
<b>2011</b>	<b>80%</b>

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1	<b>2012</b>	<b>75%</b>
2	<b>2013</b>	<b>66.7%</b>
3	<b>2014</b>	<b>50%</b>

4 When a year in which a statewide general reassessment of real property  
 5 first becomes effective is the year preceding the year that the property  
 6 tax levy under this subsection will be first due and payable, the amount  
 7 to be used in subdivision ~~(2)~~ **(1)(B)** equals the average of the amounts  
 8 used in determining the two (2) most recent adjustments in the county's  
 9 levy under this section. If the amount levied in a particular year  
 10 exceeds the amount necessary to cover the costs payable from the fund,  
 11 the levy in the following year shall be reduced by the amount of surplus  
 12 money.

13 (b) The department of local government finance shall review each  
 14 county's property tax levy under this section and shall enforce the  
 15 requirements of this section with respect to that levy.

16 **(c) This section expires January 1, 2015.**

17 SECTION 18. IC 12-19-7.5-5 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A children's  
 19 psychiatric residential treatment services fund is established in each  
 20 county. **Before calendar year 2015**, the fund shall be raised **in part** by  
 21 a separate tax levy (the county children's psychiatric residential  
 22 treatment services property tax levy) that:

23 (1) is in addition to all other tax levies authorized; and

24 (2) shall be levied annually by the county fiscal body on all  
 25 taxable property in the county in the amount necessary to raise the  
 26 part of the fund that the county must raise to pay the items,  
 27 awards, claims, allowances, assistance, and other expenses set  
 28 forth in the annual budget under section 8 of this chapter.

29 (b) The tax imposed under this section shall be collected as other  
 30 state and county ad valorem taxes are collected.

31 (c) The following shall be paid into the county treasury and  
 32 constitute the children's psychiatric residential treatment services fund:

33 (1) All receipts from the tax imposed under this section.

34 (2) All grants-in-aid, whether received from the federal  
 35 government or state government.

36 (3) Any other money required by law to be placed in the fund.

37 (d) The fund is available for the purpose of paying expenses and  
 38 obligations set forth in the annual budget that is submitted and  
 39 approved.

40 SECTION 19. IC 12-19-7.5-6 IS AMENDED TO READ AS  
 41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. ~~(a) For taxes first~~  
 42 ~~due and payable in 2004, each county must impose a county children's~~

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psychiatric residential services property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money), as determined by the state board of accounts in 2000, 2001, and 2002 for payments to facilities licensed under 470 IAC 3-13 for services that were made on behalf of the children and for which payment was made from the county family and children fund, or five percent (5%) of the average family and children budget, as determined by the department of local government finance in 2000, 2001, and 2002, whichever is greater.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to the county family and children fund and used to pay the costs for providing services in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 2002 expenses only.

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the department of local government finance under subsection (c).

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 2003.

STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 2004, as determined under IC 6-1.1-18.5-2.

(b) (a) For taxes first due and payable in each year after 2004, 2005, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the product of:

(1) the product of:

(A) the county children's psychiatric residential treatment services property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's county's budget, levy, and rate for that preceding

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calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

~~(2)~~ **(B)** the greater of:

~~(A)~~ **(i)** the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

~~(B)~~ **(ii)** one (1); multiplied by

**(2) the following percentage for the calendar year in which the tax levy is first due and payable:**

<b>2006</b>	<b>90%</b>
<b>2007</b>	<b>88.9%</b>
<b>2008</b>	<b>87.5%</b>
<b>2009</b>	<b>85.7%</b>
<b>2010</b>	<b>83.3%</b>
<b>2011</b>	<b>80%</b>
<b>2012</b>	<b>75%</b>
<b>2013</b>	<b>66.7%</b>
<b>2014</b>	<b>50%</b>

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision ~~(2)~~ **(1)(B)** equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

~~(c)~~ For taxes first due and payable in 2004, the department of local government finance shall adjust the levy for each county to reflect the county's actual expenses incurred in providing services to children in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002. In making this adjustment, the department of local government finance may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.

~~(d)~~ **(b)** The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

**(c) This section expires January 1, 2015.**

SECTION 20. IC 16-35-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A fund is

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established in each county to be known as the children with special health care needs county fund. **Before January 1, 2015**, the fund shall be funded **in part** by:

(1) a tax levy on the property located in the county; and ~~by~~

(2) the financial institutions tax (IC 6-5.5) that is allocated to the fund.

SECTION 21. IC 16-35-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The tax shall be imposed annually by the county fiscal body on all of the taxable property of the county.

(b) The total tax levy that a county may impose under this section equals the amount determined under section 3 of this chapter.

(c) The tax must be collected as other state and county ad valorem property taxes are collected.

**(d) This section expires January 1, 2015.**

SECTION 22. IC 16-35-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) For taxes first due and payable in each year after ~~2003~~, ~~each~~ **2005**, a county shall impose a children with special health care needs property tax levy equal to the product of:

(1) the **product of:**

**(A) the** children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year, as that levy was determined by the department of local government finance in fixing the ~~civil taxing unit's~~ **county's** budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

~~(2) (B)~~ the greater of:

~~(A) (i)~~ the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

~~(B) (ii)~~ one (1); **multiplied by**

**(2) the following percentage for the calendar year in which the tax levy is first due and payable:**

<b>2006</b>	<b>90%</b>
<b>2007</b>	<b>88.9%</b>
<b>2008</b>	<b>87.5%</b>
<b>2009</b>	<b>85.7%</b>
<b>2010</b>	<b>83.3%</b>
<b>2011</b>	<b>80%</b>

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1                   **2012**                                   **75%**  
 2                   **2013**                                   **66.7%**  
 3                   **2014**                                   **50%**

4       When a year in which a statewide general reassessment of real property  
 5       first becomes effective is the year preceding the year that the property  
 6       tax levy under this subsection will be first due and payable, the amount  
 7       to be used in subdivision ~~(2)~~ **(1)(B)** equals the average of the amounts  
 8       used in determining the two (2) most recent adjustments in the county's  
 9       levy under this section. If the amount levied in a particular year  
 10      exceeds the amount necessary to cover the costs payable from the fund,  
 11      the levy in the following year shall be reduced by the amount of surplus  
 12      money.

13       (b) The department of local government finance shall review each  
 14      county's property tax levy under this section and shall enforce the  
 15      requirements of this section with respect to that levy.

16       **(c) This section expires January 1, 2015.**

17      SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 18      UPON PASSAGE]: IC 12-19-5-3; IC 12-19-5-8; IC 12-19-5-9;  
 19      IC 12-19-5-10; IC 12-19-5-11; IC 12-19-5-12; IC 12-19-7-16;  
 20      IC 12-19-7-17; IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20;  
 21      IC 12-19-7-21; IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24;  
 22      IC 12-19-7-25; IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28;  
 23      IC 12-19-7-29; IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32;  
 24      IC 12-19-7-33; IC 12-19-7.5-7; IC 12-19-7.5-14; IC 12-19-7.5-15;  
 25      IC 12-19-7.5-16; IC 12-19-7.5-17; IC 12-19-7.5-18; IC 12-19-7.5-19;  
 26      IC 12-19-7.5-20; IC 12-19-7.5-21; IC 12-19-7.5-22; IC 12-19-7.5-23;  
 27      IC 12-19-7.5-24; IC 12-19-7.5-25; IC 12-19-7.5-26; IC 12-19-7.5-27;  
 28      IC 12-19-7.5-28; IC 12-19-7.5-29; IC 12-19-7.5-30; IC 12-19-7.5-31;  
 29      IC 12-19-7.5-32.

30      SECTION 24. [EFFECTIVE UPON PASSAGE] **(a) If a county**  
 31      **receives a loan under:**  
 32              **(1) IC 12-19-5 before its amendment by this act; or**  
 33              **(2) IC 12-19-7 or IC 12-19-7.5, both as amended by this act;**  
 34      **that was, at the time the loan was made, subject to repayment by**  
 35      **the imposition of property taxes after December 31, 2005, the**  
 36      **county auditor shall levy property taxes for timely repayment**  
 37      **under the terms of the loan.**

38       **(b) This SECTION expires January 1 of the calendar year that**  
 39      **next succeeds the last calendar year in which a loan referred to in**  
 40      **subsection (a) is subject to repayment.**

41      SECTION 25. [EFFECTIVE UPON PASSAGE] **(a) Before 2014,**  
 42      **the legislative services agency shall prepare legislation to:**

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1           **(1) eliminate property tax levies first due and payable in**  
 2           **calendar years beginning after 2014 under:**  
 3               **(A) IC 12-13-8-5;**  
 4               **(B) IC 12-16-14-3;**  
 5               **(C) IC 12-19-7-4;**  
 6               **(D) IC 12-19-7.5-6; and**  
 7               **(E) IC 16-35-3-3;**  
 8           **all as amended by this act; and**  
 9           **(2) require the state to fund the purposes served by the levies**  
 10           **referred to in subdivision (1).**  
 11           **(b) This SECTION expires January 1, 2014.**  
 12           **SECTION 26. An emergency is declared for this act.**

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